

# **SB 767**

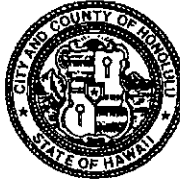
## **RELATING ECONOMIC RECOVERY.**

Granting temporary relief from county housing requirements as recommended by the construction industry task force to stimulate housing construction statewide.

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

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PETER B. CARLISLE  
MAYOR



DAVID K. TANOUÉ  
DIRECTOR

JIRO A. SUMADA  
DEPUTY DIRECTOR

February 3, 2011

The Honorable Will Espero, Chair  
and Members of the Committee on Public Safety,  
Government Operations and Military Affairs  
The Honorable Donovan M. Dela Cruz, Chair  
and Members of the Committee on Water, Land,  
and Housing  
Hawaii State Senate  
State Capitol  
Honolulu, Hawaii 96813

Dear Chairs Espero, Dela Cruz, and Members:

**Subject: Senate Bill No. 767  
Related to Economic Recovery**

The Department of Planning and Permitting **opposes** Senate Bill No. 767, which would reduce county requirements for affordable and workforce housing by forty (40%) percent.

We recognize the need for affordable housing, and have built our own programs to respond to this need, as did the Neighbor Island counties. Presently, the City & County of Honolulu require projects requesting a rezoning, to provide thirty percent (30%) of proposed residential units to be available for families who earn one hundred forty percent (140%) of Oahu's area median income (AMI). A reduction of 40% of the existing 30% requirement would result in an allocation of 18% of new units being designated as affordable.

We understand the need to establish a reasonable threshold for the provision of affordable units which does not overly burden a development so as to make it financial infeasible. This serves no purpose. The ability of any particular development being able to finance the subsidies necessary to construct affordable housing must be continually evaluated, and if necessary, adjusted, so the costs of affordable and market-rate housing are in sync with the demand and

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and Members of the Committee on Public Safety,  
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Hawaii State Senate  
Re: Senate Bill No. 767  
February 3, 2011  
Page 2

financial capability of the marketplace, so as to produce a greater quantity of affordable units.

We are proud of our county affordable housing programs. As has been done in the past, if we feel a temporary hiatus or relief is needed, we can adjust our programs. An across-the-board mandate by the state is not warranted, and a violation of home rule.

While we recognize the desire to create new jobs in the construction industry, it seems short-sighted to reduce affordable housing production and increase market housing, which most construction workers will be unable to afford. We are also optimistic that construction of the rail transit system will shortly be underway, addressing the employment concern.

Please hold Senate Bill No. 767. Thank you for the opportunity to comment.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'DKT', with a long horizontal flourish extending to the right.

David K. Tanoue, Director  
Department of Planning and Permitting

DKT  
sb767-EconRecov-tw.doc

Council Chair  
Danny A. Mateo

Vice-Chair  
Joseph Pontanilla

Council Members  
Gladys C. Baisa  
Robert Carroll  
Elle Cochran  
Donald G. Couch, Jr.  
G. Riki Hokama  
Michael P. Victorino  
Mike White

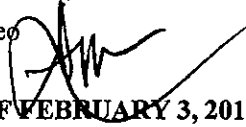


Director of Council Services  
Ken Fukuoka

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov/council](http://www.mauicounty.gov/council)

February 2, 2011

TO: The Honorable Will Espero, Chair  
Senate Committee on Public Safety, Government Operations, and Military Affairs  
The Honorable Donovan M. Dela Cruz, Chair  
Senate Committee on Water, Land, and Housing

FROM: Danny A. Mateo  
Council Chair 

SUBJECT: **HEARING OF FEBRUARY 3, 2011; TESTIMONY IN OPPOSITION TO SB 767,  
RELATING TO ECONOMIC RECOVERY**

Thank you for the opportunity to testify in opposition to this important measure. The purpose of this measure is to grant temporary relief from county housing requirements as recommended by the construction industry task force to stimulate housing construction statewide.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I oppose this measure for the following reasons:

1. A seemingly arbitrary reduction in affordable and workforce housing required of a developer lacks guidance. In the crafting of Maui County's Residential Workforce Housing Policy, I have seen firsthand how affordable and workforce housing policies can vary considerably from county to county; one size does not fit all.
2. Counties are in the best position to measure and address the housing needs of its citizens. State intervention on this county issue usurps authority and repudiates from home rule principles, without justification.
3. Maui County has already taken steps to address both the lack of workforce housing being built as well as the stall in the construction industry. By ordinance, Maui County is required to review its residential workforce housing policy every two years. Changes were made to this policy last year to reduce the amount of workforce housing required in certain types of developments from 40 to 25 percent in response to economic conditions. Further review is anticipated this year.
4. If the intent of this legislation is to assist economic development by stimulating the construction industry, then the State should encourage more affordable housing production, not less. Such a strategy of providing incentives for affordable housing not only avoids State intrusion in county programs but directly addresses the needs of workforce housing for construction workers and other residents.

For the foregoing reasons, I oppose this measure.

Council Chair  
Danny A. Mateo

Vice-Chair  
Joseph Pontanilla

Council Members  
Gladys C. Baisa  
Robert Carroll  
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February 2, 2011

TO: Honorable Will Espero, Chair  
Senate Committee on Public Safety, Government Operations, and Military Affairs

Honorable Donovan M. Dela Cruz, Chair  
Senate Committee on Water, Land, and Housing

FROM: Joseph Pontanilla, Council Vice-Chair

A handwritten signature in black ink, appearing to read "Joseph Pontanilla".

DATE: February 3, 2011

SUBJECT: **TESTIMONY IN OPPOSITION TO SB 767, RELATING TO ECONOMIC RECOVERY**

Thank you for the opportunity to testify in opposition of this measure. I provide this testimony as an individual member of the Maui County Council.

I **oppose SB 767** for the reasons cited in testimony submitted by Maui County Council Chair Danny A. Mateo. I urge you not to support this measure.

11:02:02:kbm/JP: SB 767